



Subject Property Photo

Offering Memorandum

# Service King Collision Repair Center

27710 E. University Dr. | Little Elm (Dallas), TX 75068



**Stan Johnson Co.**

THE NET LEASE AUTHORITY®

# Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum ("COM") is provided by Stan Johnson Company ("SJC"), solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the "Information"), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party's acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

## Offered Exclusively by

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# The Offering

Stan Johnson Company is pleased to offer for sale to qualified investors the opportunity to acquire a fee simple interest in the land and building of a Service King Collision Repair Center property located in Little Elm, Texas. The Subject Property consists of approximately 10.36 acres and a 21,140-square-foot building, with a new Absolute NNN 15-year lease that commenced May 22, 2018. The Subject Property lease also features attractive 10% rent increases every 5 years during the lease term and in each of the three (3), five (5) year renewal options.

The Subject Property is located in Little Elm, TX, in the county of Denton. Little Elm is one of the fastest growing municipalities in Texas since 2000 in terms of percentage, with the 2010-2018 Annual Rate within one mile of the subject property being 10.90%. The property is located in a strong location on East University Drive (Highway 380) and is close to several major retailers that include LA Fitness, Kroger, Home Depot, Walmart Supercenter, and several other major retail properties.

Service King Collision Repair Centers operates 340 locations in 24 states across the U.S. with plans to continue growing. Service King was named the No. 1 Best Place to Work by both the Dallas and San Antonio Business Journals. For more information visit their website at [www.ServiceKing.com](http://www.ServiceKing.com).



## Stan Johnson Co.

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### Property Summary

<b>Address:</b>	27710 E. University Drive Little Elm (Dallas), TX 75068
<b>NOI:</b>	\$385,920
<b>Lot Size:</b>	10.36 Acres
<b>Year Built:</b>	2018
<b>Building Size:</b>	21,140 SF
<b>Price / SF:</b>	\$317.49



Offering Price **\$6,711,652**



**5.75%** Cap Rate

## Investment Highlights

### WELL-KNOWN TENANT

- Service King is one of the largest collision repair companies in the United States with approximately 340 locations in 24 states with plans to continue growing.

### DESIRABLE LONG-TERM LEASE

- Brand new fifteen (15) year lease term that commenced May 22, 2018.

### ATTRACTIVE RENTAL INCREASES

- The Subject Property lease provides for 10% increases every five (5) years in the lease term and in each of the three (3), five (5) year renewal options.

### ABSOLUTE NNN LEASE

- The new lease is absolute NNN with no landlord responsibilities.

### NEW BUILD-TO-SUIT CONSTRUCTION

- The Subject Property is built specifically for Service King and is institutional-quality construction.

### GREAT MARKET LOCATION

- The Subject Property is located on E. University Drive (Highway 380) which gets approximately 46,000 VPD traveling past this location.

### EXCELLENT DEMOGRAPHICS

- The 2018 estimated population within a 5-mile radius of the property is over 122,300 with an average household income of approximately \$115,400.



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# Lease Abstract

<b>Location:</b>	27710 E. University Dr. Little Elm (Dallas), TX 75068
<b>Tenant:</b>	SK Little Elm Partners, Ltd.
<b>Building Size (SF):</b>	+/- 21,140 SF
<b>Land Area (Acres):</b>	+/- 10.36 Acres (7 are unusable)
<b>Year Built:</b>	2018
<b>Rent Commencement:</b>	May 22, 2018
<b>Rent Expiration:</b>	May 31, 2033
<b>Lease Term:</b>	Fifteen (15) Years
<b>Renewal Options:</b>	Three (3), Five (5) Year
<b>Current NOI:</b>	\$385,920
<b>Rent Increases:</b>	10% Every Five (5) Years
<b>Expenses:</b>	Absolute NNN

## Rent Schedule

Years	Annual Rent	Increases
1 - 5	\$385,920	N/A
6 - 10	\$424,512	10%
11 - 15	\$466,963	10%
16 - 20 (Opt. 1)	\$513,660	10%
21 - 25 (Opt. 2)	\$565,026	10%
26 - 30 (Opt. 3)	\$621,528	10%



Subject Property



Subject Property



Subject Property



# Tenant Overview

**The Service King** story begins more than 40 years ago in Dallas, Texas through the vision of Eddie Lennox, a young businessman and repair technician, who aimed to provide a different type of repair experience for customers. The business began inside a single body shop in West Dallas and through placing the customer at the center of the repair experience, Service King has steadily grown into the premier collision repair provider of choice across the U.S.

## Geographic Outreach

Service King operates over 340 locations in 24 different states spanning from coast to coast. Service King currently operates in Washington, California, Nevada, Arizona, Utah, Colorado, Oklahoma, Texas, Arkansas, Mississippi, Tennessee, Florida, Georgia, Illinois, Michigan, Ohio, Pennsylvania, New York, North Carolina, South Carolina, Virginia, Maryland, Indiana, and Delaware.

## Strategy

Service King strives to be the collision repair operator of choice by providing a secure, fulfilling workplace that motivates teammates to deliver safe, superior repairs with excellent customer service while ensuring sustainable, profitable growth and opportunity. If a vehicle is damaged, drop it off or call the store to have the vehicle towed to receive a computerized estimate.

## Corporate Developments

In 2012 the Washington-based Carlyle Group LP bought a majority of Service King with plans for streamlining growth into additional markets. Carlyle successfully grew the company from 47 locations to over 100 in under a year. In 2014 Service King bought Sterling Auto Body Centers which included 62 shops in 16 states. Also in 2014, Carlyle Group sold a majority of its stake to Blackstone Group in a deal that the Wall Street Journal valued at \$650 Million. Today Service King is one of the largest collision repair operators with over 340 locations.

### Tenant Profile

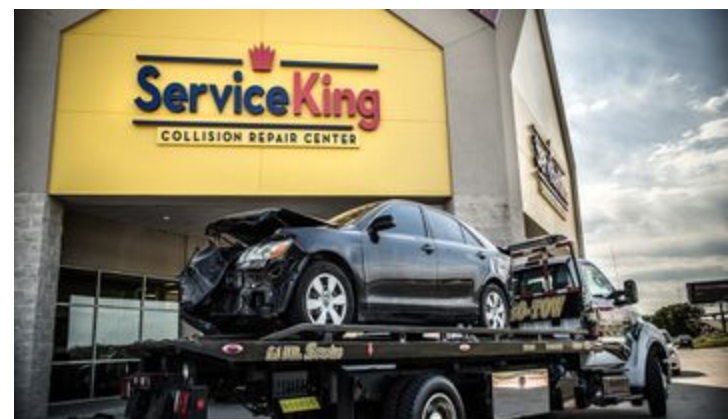
<b>Property Name:</b>	Service King
<b>Property Type:</b>	Collision Repair
<b>Parent Company Trade Name:</b>	Service King, LLC
<b>Ownership:</b>	Blackstone Group LP & Carlyle Group LP
<b>Revenue Estimates:</b>	+ \$1 Billion
<b>No. of Locations:</b>	340
<b>Headquartered:</b>	Richardson, TX
<b>Website:</b>	<a href="http://www.serviceking.com">www.serviceking.com</a>



Representative Photo



Representative Photo



Representative Photo

# Location Overview

**Little Elm** is a city in Denton County and a part of the Dallas-Fort Worth Metroplex with a population of 25,898. Little Elm is one of the fastest growing municipalities in Texas since 2000 in terms of percentage. Little Elm has more miles of shoreline than any city in the Dallas-Fort Worth area. Because Little Elm is rapidly growing and expanding, most of the city is new. These new constructions not only include new parks, government buildings, and businesses, but also include a diverse housing mix of estate residential custom homes, traditional single-family housing, townhouses, duplexes, multi-family, and manufactured homes. Some of the newer subdivisions include Paloma Creek, The Towers by the Park, and Frisco Ranch.

The **Dallas-Fort Worth** metroplex encompasses 13 counties. It is the economic and cultural hub of the regions of North (North Central) Texas, and it is the largest inland metropolitan area in the United States. The population is 7,399,662 according to the 2017 U.S. Census estimate, making it the largest metropolitan area in both Texas and the South, the fourth-largest in the U.S., and the seventh-largest in the Americas. In 2016, DFW ascended to the number one spot in the nation in year-over-year population growth. The region's economy is primarily based on banking, commerce, telecommunications, technology, energy, healthcare and medical research, and transportation and logistics. In 2017, Dallas-Fort Worth was home to 22 Fortune 500 companies, the third-largest concentration of Fortune 500 companies in the nation.

Dallas and its suburbs have one of the highest concentrations of corporate headquarters in the United States. Business management and operations is a major part of the economy. The metroplex also contains the largest Information Technology industry base in the state. This area has a large number of corporate IT projects and the presence of numerous electronics, computing and telecommunication firms such as Microsoft, Texas Instruments, HP Enterprise Services, Dell Services, Nokia, Cisco, Fujitsu, i2, AT&T, Alcatel-Lucent, Ericsson, CA, Google, and Verizon in and around Dallas.



Little Elm Park - Little Elm, Texas



Dallas, Texas



Kroger and Home Depot Anchored Center



Future Walmart Anchored Center



Future LA Fitness Anchored Center



Future HEB Anchored Center



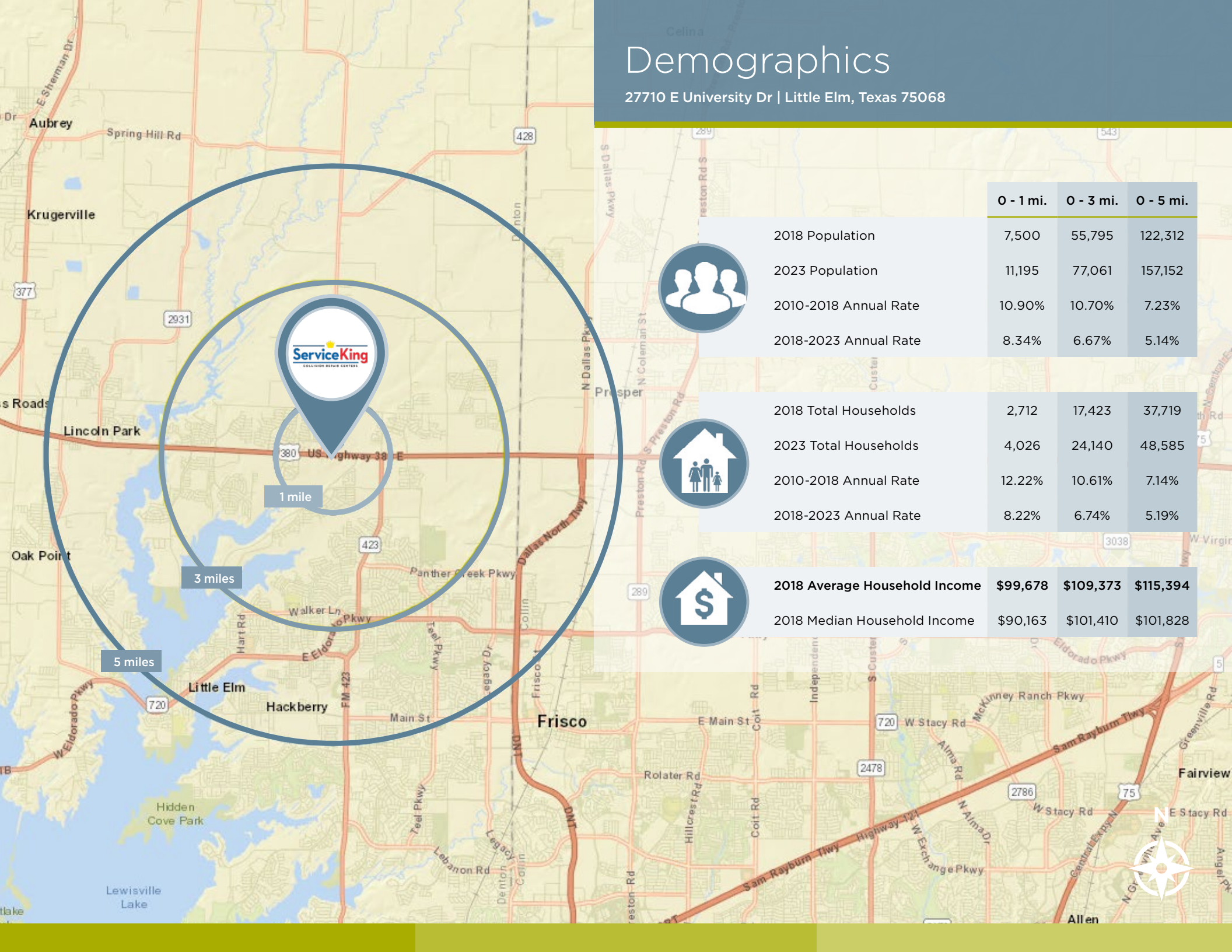
University Drive (46,598 VPD)





# Demographics

27710 E University Dr | Little Elm, Texas 75068



2018 Population

2023 Population

2010-2018 Annual Rate

2018-2023 Annual Rate

	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
2018 Population	7,500	55,795	122,312
2023 Population	11,195	77,061	157,152
2010-2018 Annual Rate	10.90%	10.70%	7.23%
2018-2023 Annual Rate	8.34%	6.67%	5.14%



2018 Total Households

2023 Total Households

2010-2018 Annual Rate

2018-2023 Annual Rate

	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
2018 Total Households	2,712	17,423	37,719
2023 Total Households	4,026	24,140	48,585
2010-2018 Annual Rate	12.22%	10.61%	7.14%
2018-2023 Annual Rate	8.22%	6.74%	5.19%



2018 Average Household Income

2018 Median Household Income

	0 - 1 mi.	0 - 3 mi.	0 - 5 mi.
2018 Average Household Income	\$99,678	\$109,373	\$115,394
2018 Median Household Income	\$90,163	\$101,410	\$101,828



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The information contained herein was obtained from sources believed reliable, however, Stan Johnson Company makes no guaranties, warranties, or representations as to the completeness thereof. The presentation of this property for sale, rent or exchange is submitted subject to errors, omissions, change of price or conditions, or withdrawal without notices.



# Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



## TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

## A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

## A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

## TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

SJCO-Holdings, LLC	9003332		918-494-2690
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
James Gibson	392926		918-494-2690
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date